



Council Report

Report Number: HH2022-001

Meeting Date: January 25, 2022

Title: **Affordable Housing Target Program
Recommendations**

Description: Steering Committee Recommendations for Intake CKL2021-03

Author and Title: Michelle Corley, Human Services Manager, Housing

Recommendations:

That Report HH2022-001, **Affordable Housing Target Program Recommendations**, be received; and

That subject to the necessary by-law and Municipal Housing Facilities Agreement being forwarded to council for approval, and the successful completion of such planning and development processes as may be required, the recommended application received through Intake CKL2021-003 of the Affordable Housing Target Program, providing a total of four affordable ownership housing units in the City of Kawartha Lakes, as described in Report HH2022-001, be supported; and

That the municipal incentives identified in Table 1 of Report HH2022-001 be approved;

That the donation of the City-owned properties legally described as Lots 66, 67, 68 and 69 on Registered Plan 365, in the Geographic Township of Emily, City of Kawartha Lakes be supported, in principle, in accordance with the provisions of By-Law 2018-020, as amended, and the Municipal Act, 2001, and subject to the parties entering into a conditional Agreement of Purchase and Sale;

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

That, notwithstanding section 3.03 of By-Law 2018-020, as amended, the subject properties be conveyed for nominal consideration, as the purchaser is intending to use the properties for the purpose of developing affordable housing and will not acquire a financial advantage as a result of the conveyance;

That, notwithstanding section 3.08 of By-Law 2018-020, as amended, the requirement to advertise the proposed disposition within 18 months of the passing of the disposition by-law be waived;

That, a by-law (with any amendments deemed necessary) to authorize the disposition of the subject properties shall be passed if appropriate;

That the Mayor and Clerk be authorized to sign all documents to facilitate the conveyance of the lands; and

That the waiver of development charges in the amount of \$35,140 be recovered through financing from the uncommitted portion of the General Contingency Reserve (1.32090)

Background:

The Affordable Housing Target Program (AHTP) offers an opportunity for interested proponents to submit an application to apply for funding and incentives to create affordable housing units that will assist the City in achieving targets established in the 2020-2029 Housing & Homelessness Plan, CKL Report HH2019-010 – 2020-2029 Housing and Homelessness Plan.

The Affordable Housing Incentives Policy (CP2019-0004) was approved by Council on November 19, 2019, and amended December 15, 2020.

Proponents looking to create affordable housing can seek funding, incentives or policy support by applying through the AHTP. Applications are reviewed with a technical team consisting of various municipal staff. Comments from the technical team are gathered for the AHTP Steering Committee. The Steering Committee, made up of senior municipal staff, then have an opportunity to review each application based on its individual merit and make recommendations to council(s).

This report includes an application received and recommended by the Kawartha Lakes Steering Committees for the second intake of this program.

Rationale:

Habitat for Humanity, Peterborough and Kawartha Region submitted an application to the AHTP in 2021 create four affordable home ownership units located on Helen Drive, Omeme. The proposal is to build four four-bedroom single family homes that will be sold to the Habitat partner families at a price that will meet the City's definition of affordable housing.

Since 2017 Habitat has created seven affordable homes in the City of Kawartha Lakes. Habitat works to identify partner families who normally would not qualify to purchase a home on their own and obtain a conventional mortgage. The households generally have modest, but stable income. Habitat is able to make the homes affordable through their unique construction model, which includes many in-kind contributions from community organizations and the partner families. With all seven previous Habitat builds, the City has been able to offer down payment assistance to each of the households through federal/provincial funding.

Table 1 below is the summary of the recommended AHTP incentives for the Habitat project. Following the table is a description of the recommended project. Some municipal incentive values will be estimates based on information available at this time. Every effort is made to firm up these estimates as agreements are executed.

Table 1: AHTP Municipal Incentives from City of Kawartha Lakes				
Proponent	Program	Incentive / Method	Estimated Incentive Value	Number of Affordable Units
Habitat for Humanity, Peterborough and Kawartha Region	Affordable New Home Development (single family homes)	Municipal Land Donation – Lots 66, 67, 68, 69 on Plan 365 (Helen Drive)	\$180,000	4
		Building Permit Fees: Exemption	\$13,648	
		Development Charges: (recovered through contingency reserve)	\$35,140	
		Entrance Permit: Waived	\$452	

The request for donated municipal land identified in Table 1, includes four parcels of land on Helen Drive, Omemee, legally described as Lots 66, 67, 68 and 69 on Registered Plan 365 (Appendix A).

The subject municipal lands were declared surplus by Council for the former Corporation of the Township of Emily on July 17, 1997 by Council Resolution 97-336 and authorized to be sold by public tender. The properties were advertised for sale by public tender in July 1998, but did not sell.

The potential sale of the subject properties was advertised on the 9th, 16th, and 23rd days of February, 2017 in the Kawartha Lakes This Week and on the 10th, 17th, and 24th days of February, 2017 in the Peterborough This Week. No public concerns or comments were received following the three-week advertising period. The lands were subsequently listed for sale on the open market by The Corporation of the City of

Kawartha Lakes in February 2018. While there has been interest in the properties since that time, only one formal offer was made, but was not finalized as the purchaser withdrew the offer.

In the fall of 2021, Habitat for Humanity submitted an application to the Land Management Team requesting that the City donate the subject lands for the purpose of developing four affordable single family homes. This request was reviewed by the Land Management Team at their November 8, 2021 meeting. The request was supported by the Team.

The provision of the incentives identified in Table 1 are consistent with the incentives described in the Council-approved Affordable Housing Incentives Policy (CP2019-0004) to assist in meeting the City's affordable housing needs.

Alignment to Strategic Priorities

This report aligns to the Exceptional Quality of Life strategic priority. It contributes directly to the goal of:

- Continuing to encourage mixed development, with a focus on affordable, attainable and purpose built housing.
- Good Government
 - Effective management of the municipal building and land portfolio

Financial/Operation Impacts:

The identified fees, charges and donation of land can be provided with minimal impact to the City. This is not the case for a Development Charge exemption. The Development Charges Act requires the City to replenish the Development Charge reserve from non-Development Charge sources for the resulting foregone revenue. So while the authority to provide the exemption exists, the City will always need to identify a corresponding funding source. The City's General Contingency reserve will be used for this purpose.

At point of sale each Habitat for Humanity partner family also receives Home Ownership funding, provided by the City, equivalent to \$50,000 down payment assistance, with a 20 year forgivable loan. These funds to support the down payment assistance come from the City's annual allocation of Ontario Priorities Housing Initiative funding.

The City of Kawartha Lakes will see increased property tax revenue on an ongoing basis from the development of the four new homes.

Consultations:

City of Kawartha Lakes AHTP Technical Team
City of Kawartha Lakes AHTP Steering Committee
Land Management Team
Realty Services Division

Attachments:

Appendix A: Map of Subject Land for Donation



Appendix A Subject
Land for Donation.pdf

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Department Head: Rod Sutherland, Director, Human Services